



The City of Milwaukee's Neighborhood Stabilization Program (NSP)

Introducing the NSP Dollar House Program!

The *NSP Dollar House Program* is offering an initial group of 8 “fixer-upper” homes to eligible buyers for just One Dollar. NSP will provide up to **\$30,000** to match buyer funds to pay for the cost of needed repairs. (See chart for details.)

Department of Neighborhood Services (“Building Inspection”) and Neighborhood Improvement Development Corp (NIDC) staff have thoroughly inspected the homes and developed scopes of work that list all the items needed to bring the homes up to code, including lead-safety. If the budget permits, additional work

How Will It Work?

Potential buyers must enroll in the homebuyer education course and get a loan pre-approval from a participating lender. The pre-approval will help buyers determine their budget for the rehab and ensure they can complete needed repairs.

If the City receives multiple offers on one property, we will use a lottery to select the winning offer.



Requirements:

- You must complete 8 hours of homebuyer education from a HUD-approved agency and have proof of matching funds (bank pre-approval or bank statement) in order to submit an offer.
- You must agree to occupy the home as your primary residence during an affordability period, usually 10 years.
- Your household income must be below 120% of Area Median Income (AMI). Additional assistance is available for households below 80% AMI. See the 2012 adjacent chart for income eligibility.
- A licensed contractor of your choosing must complete all plumbing, electrical, heating, and construction work. Self-help work is permitted, but only if it does not involve fixing a code violation. (Example: a homeowner could install their own carpeting.)

Family Size	120% of Area Median Income (Eligible for up to \$20,000)	80% of Area Median Income (Eligible for up to \$30,000)
1	\$61,500	\$41,000
2	\$70,250	\$46,850
3	\$79,050	\$52,700
4	\$87,850	\$58,550
5	\$94,850	\$63,250
6	\$101,900	\$67,950

Homeownership Timeline

If your offer is accepted, you can't move in right away. Although the home is basically sound, it needs a lot of work. NIDC staff will help you finalize the scope of work, and get bids from contractors. After you select your contractor and close on the home, the work can begin. Expect the whole process, from the time of your offer until move in to take three to four months.

For more information email nspinfo@milwaukee.gov or call 286-5812.

A list of certified homebuying counselors and participating lenders is available at:

www.MilwaukeeHousingHelp.org

A Step-by-Step Guide to the Process

Step 1: Complete eight hours of homeownership counseling

A list of HUD approved agencies is available at www.milwaukeehousinghelp.org.

Step 2: Meet with a lender to determine how much you can afford

NSP assistance will cover a portion of required rehabilitation costs. Buyers are responsible to pay for the remainder using a loan or cash. A list of participating lenders is available at www.milwaukeehousinghelp.org.

Step 3: Work with a licensed real estate agent to visit homes

A list of current dollar homes is available on the City website, <http://city.milwaukee.gov/DollarProgram.htm>. Select a licensed real estate agent to set up showings of homes you are interested in. Ask friends, relatives, or your counselor for referrals if you need help finding an agent.

Step 4: Submit an offer to purchase

Work with your agent to submit an offer to purchase on the home that you are interested in. In addition to the offer, you will need to submit a completed application to the NSP Homebuyer Assistance Program and proof of funds (lender pre-approval or bank statement) for your portion of the rehab. Applications are available at www.milwaukeehousinghelp.org. The NSP Homebuyer Assistance application fee is waived for Dollar Homes.

Step 5: Offer accepted?

If multiple offers are received for a property, a drawing will be held to select the winning offer.

Step 6: Get bids

If your offer was selected, you will work with a NIDC Rehabilitation Specialist to finalize the scope of work and get bids.

Step 7: Closing

After you have gotten final bids and finalized the financing for your portion of the rehab, you will close on the purchase of the home and your forgivable NSP loan. If you are using cash for your portion of the rehab, you will have to place it in escrow at the time of closing.

Step 8: Construction underway

You can't move in right away. Needed rehabilitation work will begin after closing. Your Rehabilitation Specialist will work with you during this process to monitor construction and approve payouts. This process can take up to two months (and potentially more if there are weather related delays).

Step 9: Move-in

Congratulations, you are ready to move into your affordable, newly rehabilitated home.

Notes for Real Estate Agents

Additional details about assisting clients purchasing City-owned homes, including the standard sales contract, are available at <http://www.mkedcd.org/realestate/inrems.html>. Commission on Dollar House properties is \$1,500. Offers for Dollar House properties must include a contingency that acceptance of offer is contingent on buyer's application for, qualification for, and use of City's NSP Homebuyer Assistance Program. Between offer acceptance and closing, agents may be responsible for arranging property access for potential contractors, Appraisers, etc.